

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 AGRE-00 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00
XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05
SS-15 STR-05 CEA-01 L-03 H-01 PA-01 PRS-01 IO-13
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FM AMEMBASSY RANGOON
TO SECSTATE WASHDC 4466

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E.O. 11652: N/A
TAGS: EFIN EAID IBRD BM
SUBJ: GUB MEETING WITH IBRD CONSULTATIVE GROUP DONOR MEMBERS REPRESENTATIVES IN RANGOON

REF: (A) STATE 265433, (B) RANGOON 3522

1. SUMMARY. THE GUB CONVOKED A MEETING OF THE SENIOR REPRESENTATIVES OF THE DONOR MEMBERS OF THE IBRD CONSULTATIVE GROUP ON BURMA (CG) ON NOVEMBER 9. ATTENDEES WERE PRESENTED WITH COPIES OF THE "REVISED" FIVE YEAR DEVELOPMENT PROGRAMME AND A PREPARED STATEMENT OUTLINING THE PLAN'S CONTENT AND GUB'S EXPECTATIONS FOR THE FORTHCOMING PARIS CONSULTATIVE GROUP MEETING. GUB SOLICITED THE ASSISTANCE OF THE DONOR GOVERNMENTS IN FULFILLING THE PLAN'S REQUIREMENTS. COMMENTS OF THE DONORS' REPRESENTATIVES WERE SOLICITED. NO COMMITMENTS WERE MADE BY CG REPS, BUT SOME SUGGESTIONS WERE OFFERED. EMBASSY ANALYSIS OF AND COMMENT ON THE "REVISED" PLAN WILL FOLLOW SHORTLY BY SEPTEL. END SUMMARY.

2. ON WEDNESDAY, NOVEMBER 9, GUB MINISTERS OF PLANNING AND FINANCE, COOPERATIVES, AND FOREIGN AFFAIRS CONVOKED A MEETING OF THE SENIOR REPRESENTATIVES OF THE DONOR MEMBERS OF THE IBRD CONSULTATIVE
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GROUP ON BURMA (CG). ATTENDEES FOR THE DONOR MEMBERS WERE THE U.K., FRG, AUSTRALIAN, JAPANESE, AND U.S. AMBASSADORS, THE FRENCH CHARGE, THE CANADIAN DCM AND THE UNDP RESIDENT REPRESENTATIVE. ON THE BURMESE SIDE WERE THE HOST MINISTERS, THEIR DEPUTIES, THE PRESIDENT OF THE UNION BANK, AND SEVERAL MIDDLE-LEVEL MINISTRY PERSONNEL. (WE ARE TOLD THAT THE DATE OF THE MEETING WAS DECIDED UPON ONLY AFTER A DATE HAD BEEN FIXED FOR THE PRESENTATION OF

AMBASSADOR BEAN'S CREDENTIALS, TO MAKE CERTAIN HE WOULD BE PRESENT. THIS WAS BORNE OUT WHEN PRESIDENT NE WIN, APOLOGIZING FOR HAVING CAUSED A FIVE-HOUR DELAY IN THE PRESENTATION, NOTED THAT HE HAD WISHED THE PRESENTATION TO OCCUR ON TIME BECAUSE HE WAS AWARE THAT THE AMBASSADOR WAS SUPPOSE TO ATTEND AN IMPORTANT MEETING ON THE FOLLOWING DAY.)

3. THE MINISTER OF PLANNING AND FINANCE AND OF COOPERATIVES (U TUN TIN)

CHAIRING THE MEETING. HE OPENED BY ANNOUNCING THAT IT HAD BEEN CONVOKED IN ANTICIPATION OF THE DECEMBER 14 CONSULTATIVE GROUP MEETING IN PARIS. HE READ A PREPARED STATEMENT (COPIES BEING POUCHED TO EA/TIMBS) OUTLINING THE CONTENTS OF THREE VOLUMES OF THE "REVISED" FIVE YEAR DEVELOPMENT PROGRAMME WHICH THE ATTENDEES FOUND AT THEIR MARKED PLACES UPON ENTERING THE ROOM. THE PREPARED STATEMENT ALSO ANNOUNCED THAT THE EEC WOULD BE SENDING AN OBSERVER TO THE DECEMBER 14

PARIS MEETING OF THE CG. IT EXPRESSED APPRECIATION FOR PREVIOUS CO-OPERATION FROM THE DONOR MEMBERS, IDENTIFIED A \$260 MILLION PER ANNUM FOREIGN EXCHANGE GAP IN THE DEVELOPMENT PROGRAMME'S FINANCING REQUIREMENTS AND SOLICITED THE DONOR MEMBERS' ASSISTANCE IN FILLING THAT GAP.

4. FOLLOWING THE MINISTER'S FORMAL PRESENTATION, HE OPENED THE FLOOR FOR DISCUSSION AND "SUGGESTIONS." THE BRITISH AMBASSADOR LIMITED OFFICIAL USE

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(DEPUTY DEAN OF THE DIPLOMATIC CORPS AND SENIOR DONOR REPRESENTATIVE PRESENT) ATTEMPTED TO RESPOND IN A GENERAL NON-COMMITTAL WAY FOR ALL PRESENT. HE THANKED THE MINISTERS FOR CONVOKING THE MEETING, INDICATED ALL PRESENT WOULD STUDY THE DOCUMENTS AND CONFER WITH THEIR RESPECTIVE GOVERNMENTS, ETC. HE SUGGESTED THAT THE GUB MIGHT WISH TO CONSIDER OUTLING TO THE PARIS MEETING ITS PERCEPTION OF HOW THE CG SHOULD PROCEED, I.E., DOES THE GUB PREFER TO DEAL WITH THE CG AS AN ENTITY OR DOES IT PREFER TO DEAL WITH THE MEMBERS ON A BILATERAL BASIS? ALSO DOES THE CG NEED AN ADMINISTRATIVE APPARATUS (SECRETARIAT)? HE FURTHER SUGGESTED THAT THE CG'S DELIVERATIONS ON THE DEVELOPMENT PROGRAMME COULD BE ENHANCED IF THE GUB WOULD ESTABLISH PRIORITIES AMONG THE VARIOUS ELEMENTS AND PROJECTS IN THE PROGRAMME. THE MINISTER DID NOT RESPOND BUT SOLICITED COMMENTS FROM THE OTHER DONOR MEMBERS. AFTER A RATHER STRAINED SILENCE DURING WHICH IT BECAME EVIDENT THAT THE GUB REPS EXPECTED EACH DONOR REP TO SPEAK, EACH DONOR REP MADE A SHORT NON-COMMITTAL COMMENT. EACH INDICATED APPRECIATION FOR THE MEETING, LACK OF INSTRUCTION FROM HIS GOVERNMENT AND ASSOCIATED HIMSELF WITH THE BRITISH AMBASSADOR'S SUGGESTIONS. THE JAPANESE AMBASSADOR ASKED WHY THE FOREIGN EXCHANGE REQUIREMENT HAD RISEN \$60 MILLION PER ANNUM SINCE THE TOKYO MEETING LAST YEAR AND RECEIVED NO RESPONSE.

5. AMBASSADOR BEAN, CITING HIS NEWNESS, LACK OF FAMILIARITY WITH THE DOCUMENTS AND LACK OF INSTRUCTION SAID THAT HE COULD NOT

COMMENT SUBSTANTIVELY BUT THAT HE WOULD FORWARD THE DOCUMENTS TO WASHINGTON BY THE FASTEST AVAILABLE MEANS WHERE HE THOUGHT THEY WOULD BE RECEIVED "WITH INTEREST AND SYMPATHY."

6. TOWARD THE END OF THE MEETING, AS A SORT OF "SECOND THOUGHT," THE BRITISH AMBASSADOR SUGGESTED THAT IT WOULD BE USEFUL IF THE GUB COULD ADVISE THE DONORS PREFERABLY BEFORE OR AT THE PARIS MEETING OF THE ROLE THE PRIVATE SECTOR MIGHT PLAY IN THE DEVELOPMENT PROGRAMME. HE SUGGESTED THAT THE GUB'S ABILITY TO FILL THE FOREIGN EXCHANGE MIGHT BE SIGNIFICANTLY IMPROVED IF THERE WERE AREAS IN LIMITED OFFICIAL USE

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WHICH THE PRIVATE SECTOR COULD PARTICIPATE. AMBASSADOR BEAN ASSOCIATED HIMSELF WITH THIS COMMENT.

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7. THE MINISTER RESPONDED BY SAYING THAT UNDER CURRENT BURMESE LAW, THE PRIVATE SECTOR CAN PARTICIPATE IN "MUTUALLY BENEFICIAL ECONOMIC COOPERATION" (GUB TERMINOLOGY FOR JOINT VENTURE), CITING OFF-SHORE OIL EXPLORATION AS AN EXAMPLE. HOWEVER, SUCH ACTIVITY MUST BE DECEDED ON A CASE-BY-CASE BASIS AT THE "HIGHEST LEVELS" OF THE GUB.

HE THEN LAUNCHED INTO A RAMBLING, DISJOINTED EXPOSITION OF THE "RE-STRUCTURING" OF THE BURMESE ECONOMY, PARTICULARLY THE MEANS OF PRODUCTION AND DISTRIBUTION, OVER THE PAST EIGHTEEN TO TWENTY-FOUR MONTHS WHICH ALLEGEDLY HAD RESULTED IN VAST IMPROVEMENTS. IT WOULD APPEAR THAT HE WAS TRYING TO DEMONSTRATE TO HIS FOREIGN AUDIENCE THAT THE "BURMESE WAY TO SOCIALISM" WAS WORKING AND WE SHOULD NOT LECTURE HIM ON PRIVATE ENTERPRISE PARTICIPATION. WHATEVER HIS INTENTION, HIS AUDIENCE WAS NOT MOVED BY HIS DISCOURSE.

8. FOLLOWING THE MEETING, THE GROUP WAS TREATED TO AN EXCELLENT NINE-COURSE CHINESE LUNCHEON (READ FEAST) WHICH WOULD HAVE SERVED THE GUB'S INTERESTS BETTER HAD IT BEEN SERVED BEFORE RATHER THAN AFTER THE MEETING.

9. SEPTEL WILL FOLLOW SHORTLY GIVING THE EMBASSY'S VIEWS ON AND ANALYSIS OF THE FIVE YEAR DEVELOPMENT PROGRAMME.

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10. WE HAVE BEEN TOLD THAT COPIES OF THE REVISED FIVE YEAR DEVELOPMENT PROGRAMME DOCUMENTS WERE DISTRIBUTED TO DONOR GOVERNMENTS THROUGH THE WORLD BANK IN WASHINGTON ON NOVEMBER 4. THEREFORE, WE ASSUME THE DEPARTMENT HAS RECEIVED A SET.
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Message Attributes

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